

FINAL BILL REPORT

E2SSB 5859

C 370 L 07

Synopsis as Enacted

Brief Description: Changing provisions for retail liquor licenses.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Prentice, Clements and Murray; by request of Liquor Control Board).

Senate Committee on Labor, Commerce, Research & Development

Senate Committee on Ways & Means

House Committee on Commerce & Labor

Background: The Liquor Control Board (LCB) currently issues a number of different licenses for premises that serve spirits, beer, and wine. It does not currently issue liquor licenses for nightclubs.

Summary: Number of Spirits, Beer, and Wine Restaurant Licenses: The formula to determine the number of spirits, beer, and wine restaurant licenses that can be issued statewide is increased from one for every 1,450 people to one for every 1,300 people in the state.

Summary Suspension of Liquor Licenses: An administrative law judge may extend the period for a summary suspension of a liquor license up to one calendar year if proceedings for revocation or other action cannot be completed during the initial 180 day period because of actions by the licensee or permittee.

Society or Organization: A local wine industry association registered under section 501(c)(6) of the Internal Revenue Code is a "society or organization" for purposes of a special occasion liquor license.

Hotel Liquor License: A new liquor retailer's license called a hotel license is created. The LCB may issue the hotel license to an applicant regardless of whether he or she already holds any other liquor licenses. The LCB may not issue a hotel license to any applicant offering rooms for guests on an hourly basis.

The holder of a hotel license may:

- sell spirits, beer, and wine by the individual glass, at retail, for consumption on the premises, at dining places in the hotel;
- sell at retail, from locked honor bars in individual units, spirits not to exceed 50 milliliters, beer of not more than 12 ounces, and wine in bottles of not more than 385 milliliters. The alcohol can be sold to registered guests for consumption in guest rooms. The hotel licensee must buy all spirits from the LCB. The licensee must also require proof of age of any guest renting a room and requesting use of the honor bar. The guest must execute an affidavit verifying that no one under 21 will have access to alcohol in the honor bar;

- provide alcohol, without additional charge to overnight guests, including wine by the bottle, and by individual serving for on-premises consumption at a specified regular date, time, and place. Self-service of alcohol is prohibited and all alcohol beverages must be served by an alcohol server;
- sell beer or wine in the manufacturer's container or by individual drink to guests through room service or to occupants of private residential units managed by the hotel. The licensee may also sell beer at retail locations within the hotel;
- sell for on or off-premises consumption wine carrying a label exclusive to the hotel licensee; and
- place in guest rooms at check-in, a complimentary bottle of beer or wine, and refer to this service in promotional material.

The licensed facilities may be owned or leased and operated by the hotel or another party under a contract or joint venture agreement with the licensee. The facilities may also be operated by another party holding a contract or joint venture agreement with the licensee.

The license issued to the hotel is only valid upon the contiguous property of the hotel and where all facilities and grounds at the hotel are owned or leased by the same person or persons.

The hotel licensee may remove from the licensee's liquor stocks liquor for sale and service at event locations at a specified date and place not currently licensed by the LCB. If the event is open to the public, it must be sponsored by a charitable society or organization. Licensees may also cater events on domestic winery premises.

Minors may be allowed in all areas of the hotel where alcohol may be consumed; however, the consumption must be incidental to the primary use of the area. These areas include tennis courts, hotel lobbies, and swimming pool areas.

The annual fee for a hotel license is \$2,000.

Storing Alcohol on Another's Premises: The holder of a spirits, beer, and wine restaurant license with a caterer's endorsement may store liquor on another non-license holder's premises as long as there is a written agreement between the licensee and the other party to provide for ongoing catering services. There can be no exclusivity to the liquor served, and the agreement between the licensee and the other party must be filed with the LCB. The holder of the license may store liquor on other premises operated by the licensee as long as the licensee has a leasehold in trust in those premises. A duplicate license costing \$20 may be issued for each additional premises.

Microbrewery/Brewery Second Location: Microbreweries or domestic breweries holding either a spirits, beer, and wine restaurant license or a beer and/or wine restaurant license may hold a second retail license for a spirits, beer, and wine restaurant or a beer and/or wine restaurant at a location that is separate from the microbrewery or brewery premises. Language is added to clarify that microbreweries and breweries may hold both a brewery or microbrewery license as well as a retail license.

Votes on Final Passage:

Senate 45 3

House 97 0 (House amended)
Senate 47 2 (Senate concurred)

Effective: June 30, 2008 (Sections 5 and 7)
July 1, 2008 (Sections 10-20)
July 22, 2007